

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

Philip Angelides, Chairman
CA State Treasurer

Tax-Exempt Equipment Financing Program Application

THREE PROGRAMS AVAILABLE FOR EQUIPMENT NEEDS:

- COMPETITIVE EQUIPMENT PROGRAM (*EQUIP*)
- GENERIC EQUIPMENT PROGRAM
- G.E. CAPITAL EQUIPMENT PROGRAM

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
TAX-EXEMPT EQUIPMENT FINANCING PROGRAM APPLICATION
TABLE OF CONTENTS

AUTHORITY INFORMATION

THE AUTHORITY	i.
ELIGIBILITY FOR CHFFA FINANCING	i.
APPLICATION INSTRUCTIONS	i.
PROGRAM FEES	ii.
DEFINITIONS OF TERMS	ii.

APPLICATION FOR FINANCING INSTRUCTIONS

CONTACT INFORMATION.....	1
PROJECT INFORMATION	2
UTILIZATION STATISTICS.....	5
ADDITIONAL INFORMATION.....	6
Revenue Composition	6
Contracts and Licenses.....	6
Passing on Savings.....	6
Community Service Certification	6
Additional Community Service	7
Seismic Upgrades (For Acute Care Hospitals Only)	7
Supplemental Documents for Application	7
Documents for Bond Counsel	7
Legal Status Questionnaire	8
Application Certification.....	10

EXHIBITS

EXHIBIT A - COMMUNITY SERVICE CERTIFICATION.....	A-1
EXHIBIT B - CERTIFICATE OF VERIFICATION (SAMPLE).....	B-1
EXHIBIT C - LEGAL DISCLOSURE INFORMATION	C-1
EXHIBIT D - QUALIFYING HEALTH FACILITIES.....	D-1

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

TAX-EXEMPT EQUIPMENT FINANCING PROGRAM APPLICATION

THE AUTHORITY

The California Health Facilities Financing Authority (the Authority) is a state agency created to assist non-profit health facilities obtain tax-exempt financing for capital improvement projects and other needs. Financings are normally accomplished through the issuance of tax-exempt bonds, sold by the Authority, for individual borrowers or for groups of borrowers. The Authority is authorized to issue bonds statewide with no affect on the bonding capacity of any particular city, county or political subdivision.

The Authority's enabling legislation allows it to finance a number of types of healthcare projects. For example, funds may be used to construct or remodel facilities and finance the interest expense (capitalized interest) over the construction/renovation period. Funds may also be used to refinance debt, acquire a new facility, buy equipment or, in certain instances, to finance working capital.

ELIGIBILITY FOR CHFFA FINANCING

Eligible applicants include private nonprofit corporations or associations authorized by the laws of California to operate a health facility. Cities, counties, cities and counties, and district hospitals also qualify for financing.

Eligible types of health facilities include, among others, general acute care hospitals, community clinics, skilled nursing facilities and adult day health centers. A listing of the types of eligible health facilities is shown at Exhibit D. For further information on eligibility and certain financing programs, please contact the Authority. Phone and address information is on the cover of the application.

SUBMITTING THE APPLICATION:

To have your application considered for financing for a particular month, submit the application **by the first business day** of the month of the scheduled meeting. *Please contact the Authority for a current schedule of meeting, or visit our website at www.treasurer.ca.gov/chffa/chffa.htm*

Please send **one** copy of this completed application to:

California Health Facilities Financing Authority
915 Capitol Mall, Suite 590
Sacramento, California 95814

Please send **one** copy of this completed application to:

PricewaterhouseCoopers LLP, Audit Department
555 Capitol Mall, Suite 1200
Sacramento, CA 95814
Attn: Robert Kittredge

Please send **one** copy of this completed application to the appropriate identified transaction counsel identified on page 1 of this application.

All Applicants must forward a \$500 non-refundable application fee to the Authority with the application.

PREPARING THE APPLICATION:

1. Please use a tab system and present the material in the sequence indicated utilizing this application's tab system as the index;
2. Please use three ring binders, not acco type binders; and
3. Complete all application items. If an item does not apply, type “not applicable” and state why.

PROGRAM FEES:

The Authority charges an Initial Fee for each completed financing of .05% of the issue amount. The Authority also charges an Administrative Fee of \$400 annually, as long as there is an outstanding loan balance. The Authority sends invoices for the annual fee beginning the first year following the loan closing.

For unsuccessful financings, there may be a charge for estimated costs, as determined by the Executive Director and reported to the Authority, subject to appeal by the Applicant.

Other costs of issuance for financings, including fees of Bond Counsel, Placement Agents, Financial Advisors, Trustees etc., are charges against the Applicant payable at closing and are separate from the Authority fees. Please contact the Authority for more information regarding use of these professional firms in financings and limitations on fees.

DEFINITIONS OF TERMS USED IN THIS APPLICATION:

Applicant	The corporation responsible for repaying the proposed debt. The Obligated Group, if financing is part of a master indenture.
Authority	California Health Facilities Financing Authority
Health Facility	Any one or more of the health facilities defined in section 15432(D) of the California Government Code. This section is shown at Exhibit D.
Obligated Group	Group of corporations that are legally obligated to repay the proposed debt.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
TAX-EXEMPT EQUIPMENT FINANCING PROGRAM APPLICATION

Please identify program applying under:

- ☐ **Competitive Equipment Program (*EQUIP*)*:** Applicant **has not** identified financing for the equipment purchase, requests the Authority competitively bid the placement of the note and the negotiation of the interest rate.

Name of Bond Counsel: Leslie Lava (415) 283-3240
Law Offices of Leslie M. Lava
580 California Street, Suite 1600
San Francisco, CA 94104

- ☐ **Generic Equipment Program*:** Applicant **has** identified financing for equipment purchase, requests the Authority act as issuer of tax-exempt notes.

Name of Placement Agent: _____

Name of Lender: _____

Name of Bond Counsel: Mary Collins (415) 773-5998
Orrick, Herrington & Sutcliffe LLP (SF)
The Old Federal Reserve Bank Bldg.
400 Sansome Street
San Francisco, CA 94111

- ☐ **G.E. Capital Equipment Program*:**

Applicant has chosen as its Placement Agent: G.E. Capital Public Finance, Inc.

Name of Lender, if different from Placement Agent: _____

Name of Bond Counsel: Mary Collins (415) 773-5998
Orrick, Herrington & Sutcliffe LLP (SF)
The Old Federal Reserve Bank Bldg.
400 Sansome Street
San Francisco, CA 94111

- * Prior to submitting application, contact Bond Counsel listed to initiate document preparation.
Inform counsel of the Authority meeting date you intend to have this application heard.

1. **Legal Name of Applicant:** _____

Address: _____

County: _____

2. Principal Contacts:(a) Facility

Name: _____

Title: _____

Phone Number: _____ FAX Number: _____

E-Mail: _____

(b) Corporate Counsel

Firm Name: _____

Contact Name: _____

Phone Number: _____ FAX Number: _____

E-Mail: _____

3. Facility Type:☐ Acute ☐ LTC ☐ HMO ☐ Clinic☐ Other: _____

Please provide a brief description of the facility(s) receiving financing, including types of normal and special services provided, service area characteristics and whether or not the facility is considered a sole community provider, percentage of indigent population served, and a brief statement of the facility's philosophy and goals.

4. Amount of Financing Requested:

\$

Corporate Equity Contribution: _____

Total Project Cost: _____

\$

(a) Is Credit Enhancement required? ☐ YES ☐ NO

(b) Is this financing part of a Master Indenture? ☐ YES ☐ NO

If there is a Master Indenture, please identify the legal name of the Obligor and the members of the Obligated Group.

5. Use of Funds:

(a) Briefly describe the strategic objective of this financing (what will be accomplished).

(b) Equipment to be Purchased: \$ _____ (total amount)

Description of Item	Vendor	Cost of Item	Useful Life
1.		\$	
2.		\$	
3.		\$	
4.		\$	
5.		\$	
6.		\$	
7.		\$	
8.		\$	
9.		\$	
10.		\$	

Average Useful Life of All Equipment: _____

1. Will construction be necessary to install equipment? ☐ YES ☐ NO

2. If yes: Estimated Cost: \$ _____

Completion Date: _____

How Financed: _____

(c) Reimbursement for Prior Expenditures: \$ _____

(d) Estimated Costs of Issuance/Financing Fees: \$ _____

Are these costs/fees being financed? ☐ YES ☐ NO

6. Additional Project Information: Provide the following information about the project:

1. List the city, county, and precise street address of all facilities receiving financing.
2. List the name of any other lender or credit enhancer

7. Competing Service Area Health Facilities:

Describe briefly your health facility's (or health system's) competitive position, specifying among other things, your market share in your primary markets. Further note any material services provided principally or exclusively by your institution as opposed to competitors. Note any other distinguishing features of your institution.

8. Requested Term of Financing (mos. or yrs.) _____
(not to exceed 120% of average useful life of equipment)

9. Drawdown of Loan Proceeds (choose one):

- ☐ All proceeds drawn down at closing.
- ☐ All proceeds drawn down within six (6) months of closing.
- ☐ Other (describe)

10. Feasibility Study: Has a feasibility study or any form of management analysis been completed to justify the purchase of this equipment? ☐ YES ☐ NO

If Yes, please include a copy with the financial information submitted with this application.

11. Debt Rating: Please indicate the Applicant's current rating (if any) and the rating agency.

- 12. Utilization Statistics:** Please complete the following statistical information tables, modifying the requested information as necessary to conform with the way your health facility reports this data, or to conform with your health facility's operations.

In the format below, compile operating statistics for:

- A. Each health facility being financed; and
- B. Combined statistics for all health facilities included in the Applicant's financial statements submitted with this application.

NOTE: The statistics below reflect data collected by acute hospitals. If Applicant is not an acute hospital, provide relevant statistics that reflect your type of operations. Include information for each health facility receiving financing, and for the Obligated Group, if the Applicant is a multi-health facility system.

INPATIENT DATA*:		REVENUE FROM OPERATIONS (%):			
	Fiscal Year Period		Curr Fiscal Year	Prior Fiscal Year 1	Prior Fiscal Year 2
<u>Acute Beds:</u>		<u>Inpatient Revenue:</u>			
Licensed (In Service) Beds	XXX (XXX)		X%	X%	X%
Occupancy, beds in service (%)	XX.XX	<u>Outpatient Revenue**:</u>			
Avg. length of stay, (days)	XX.XX	Emergency Visits	XX%	XX%	XX%
Admissions	X,XXX	Outpatient Visits	XX%	XX%	XX%
		Outpatient Surgery Visits		XX%	XX%
 <u>Skilled Nursing Beds (if applicable)</u>		Other Outpatient Services	<u>X%</u> <u>100%</u>	<u>X%</u> <u>100%</u>	<u>X%</u> <u>100%</u>
Licensed (In Service) Beds	XXX (XXX)	** List statistics for major outpatient revenue sources, Combine lessor sources under "Other services".			
Occupancy, Beds in Service (%)	XX.XX%				
OUTPATIENT DATA* (# of visits):					
Emergency Visits	XXX				
Outpatient Visits	XXX				
Outpatient Surgery Visits	XXX				
Other Outpatient Services (describe)	XXX				

* NOTE ON INPATIENT AND OUTPATIENT DATA:
Provide inpatient and outpatient data in the above left box for the three most recent fiscal years, and for the period as of the interim financial statements submitted with this application. As noted above, if applicant is not an acute hospital, use other relevant inpatient statistics.

- C. Briefly discuss any substantive year-to-year changes shown in the statistical information provided with this application.

- 13. Revenue Composition:** Please provide the percentages of revenues by source for patient services in each category for the past two fiscal years and projections for the current fiscal year.

<u>Source of Revenue</u>	FY 19__	FY 19__	Projected FY 19__
Medicare	%	%	%
Medi-Cal	%	%	%
Other Commercial Insurance	%	%	%
Private Pay	%	%	%
Other: _____	%	%	%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

14 Contracts and Licenses:

- A. Provide a general discussion of your health facility's (or health system's) contracting with Medi-Cal, Medicare and significant private payers.
- B. Provide the following contractual information for each health facility being financed:
 1. Medicare contract expiration date _____
Medi-Cal contract expiration date _____
 2. Describe services provided for Medicare and Medi-Cal.
 3. If the health facility does not have a Medi-Cal contract, provide an explanation (e.g. currently in negotiation, non-contracting area, etc.). If the contract has expired, provide a brief statement on the status of negotiations to renew the contract.
- C. List the type(s) of licensure of the health facility(s) to receive financing.

15 Passing on Savings:

Section 15438.5 of the California Government Code requires savings resulting from the proposed tax-exempt note financing be transferred to the public via lower costs for delivery of health services. Describe how you intend to pass on these savings.

16. Community Service Certification:

Section 15459 of the California Government Code (the "Authority's Act") requires the Applicant to certify that the services of each health facility receiving financing will be made available to all persons residing or employed in the respective service areas. To document compliance with this section, each applicant must do the following:

1. Execute the attached community service certification (Exhibit A) prior to the note closing. By executing the document, the Applicant agrees to the conditions enumerated therein.
2. Submit **with the application** a completed physicians list required by Section 15459.1(b) of the Authority's Act. The physicians list should include all data elements stated in Exhibit A, item number 2(b) of this application.
3. Attached with the physicians list, the Applicant must also submit a certificate of verification similar in form to the sample at Exhibit B.

17. Additional Community Service:

Given the increasing pressure on health facilities to provide greater services in their communities, the Applicant may submit a summary of additional community service provided by the facilities to be financed. It is not mandatory to include this information, but is intended to provide an opportunity for the Applicant to inform the Authority of community service additional to that required by law, above. In this discussion, please give examples of the types of services provided and their relative costs as a percentage of total revenue.

18. Seismic Upgrades (For Acute Care Hospitals Only):

Office of Statewide Health Planning and Development (OSHPD) regulations require that all general acute care hospital owners perform seismic evaluations on each hospital building and submit the results for review by January 1, 2001. The regulations subsequently require facilities to be in compliance with performance levels by January 1, 2008 or January 1, 2030 depending on building type.

1. Describe your organization's progress toward complying with OSHPD seismic evaluation regulations.
2. Provide any available cost estimates (preliminary or final) for completing seismic upgrades, if available.
3. Discuss any proposed or finalized financing options for any identified seismic upgrades.

19. Supplemental Documents and Other Information to be Submitted with the Application:

- Audited financial statements for the past three fiscal years, with auditor's management letters, for the Applicant (or the Obligated Group, if applicable).
- In the line item format of your audit, most recent year-to-date unaudited financial statements, including income statement and balance sheet.
- Current fiscal year budget and operations to-date versus projected budgets, if available.
- Feasibility study or management analysis for this equipment purchase.
- Vendor equipment pricing quotations or contracts.
- Vendor or other financing proposal letters (if any).

20. Documents to be Submitted to Bond Counsel:

- Copy of Facility license.
- Articles of Incorporation and By-Laws.
- Franchise Tax Board exemption letter.
- Internal Revenue Service exemption letter.
- Applicant's Board minutes approving this loan application and reimbursement of prior expenditures, if any, and copies of the related Board resolutions.
- A listing of current contracts, leases, guarantees or other contractual commitments of more than one year duration (bond counsel may review these documents on-site).
- Any management and physician contracts.
- Latest IRS Form 990.
- Letters from attorneys to auditors regarding pending or current litigation.
- Executed Community Service Certification.

21. Legal Status Questionnaire:

For purposes of the following questions, the term “applicant” shall include the applicant and the project sponsor, the parent of the applicant and the project sponsor, and any subsidiary of the applicant or project sponsor if the subsidiary is involved in (for example, as a guarantor) or will be benefited by the application or the project. Public entity applicants without fiscal responsibility for the proposed project, including but not limited to, cities, counties, and joint powers authorities with 100 or more members, are not required to respond to this questionnaire.

In addition to each of these entities themselves, the term “applicant” shall also include the direct and indirect holders of more than ten percent (10%) of the ownership interests in the entity, as well as the officers, principals and senior executives of the entity if the entity is a corporation, the members of the board of directors of a for-profit corporation, the general and limited partners of the entity if the entity is a partnership, and the members or managers of the entity if the entity is a limited liability company.—

Note: Members of the boards of directors of non-profit corporations, including officers of the boards are not required to respond to the questionnaire. However, Executive Directors, Chief Executive Officers, Presidents, or their equivalent and the Chief Financial Officers, the Treasurers, or their equivalent must respond. Additionally, the individual who will be executing the bond purchase agreement, if different from any of the above, must also respond.

Use Exhibit C to explain any “Yes” answers to the following questions:

Civil Matters

1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan, or been foreclosed against in the ***past ten years***? If so, please explain.
2. Is the applicant ***currently*** a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect (a) the financial condition of the applicant’s business, or (b) the project that is the subject of the application? If so, please explain.
3. Have there been any administrative or civil settlements, decisions, or judgments against the applicant within the ***past ten years*** that materially and adversely affected (a) the financial condition of the applicant’s business, or (b) the project that is the subject of the application? If so, please explain and state the amount.
4. Is the applicant ***currently*** subject to, or been notified that it may become subject to, any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency?

Civil Matters (cont'd.)

5. In the ***past ten years***, has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or accreditation agency, a local, state or federal taxing authority, or a local, state or federal regulatory or enforcement agency that resulted in a settlement, decision, or judgment? If yes to either question numbers 4 or 5, please explain.

Criminal Matters

6. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, ***felony charges*** against the applicant? If so, please explain.
7. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, ***misdemeanor charges*** against the applicant for matters ***relating to the conduct of the applicant's business***? If so, please explain.
8. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, involving, or that could result in, criminal charges (whether felony or misdemeanor) against the applicant for any ***financial or fraud related crime***? If so, please explain.
9. Is the applicant ***currently*** a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation, of any kind, that could ***materially affect the financial condition of the applicant's business***? If so, please explain.
10. Within the ***past ten years***, has the applicant been convicted of any ***felony***? If so, please explain.
11. Within the ***past ten years***, has the applicant been convicted of any ***misdemeanor related to the conduct of the applicant's business***? If so, please explain.
12. Within the ***past ten years***, has the applicant been convicted of any ***misdemeanor for any financial or fraud related crime***? If so, please explain.

INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED.

COMPLETION OF THIS APPLICATION IS NOT A BINDING COMMITMENT

CERTIFICATION:

I, the undersigned, request that this application be submitted for review. I hereby certify that the information contained herein and the attachments hereto are to the best of my knowledge and belief accurate, complete and descriptive. I authorize the California Health Facilities Financing Authority (the "Authority") to undertake the preparation of equipment financing documentation and any notices, hearings, or other actions taken by the Authority to facilitate the financing requested hereby, and agree to reimburse the Authority for out-of-pocket expenses incurred in connection with taking such actions, including, but not limited to, bond counsel fees, costs of advertising public notices, and other costs related to preparing the proposed financing. I understand that the Authority makes no commitment to provide financing and that such financing is conditional upon the approval of the Authority and the execution of legally binding commitments acceptable to all parties.

Name: _____

Signature: _____

Title: _____

Date: _____

EXHIBIT A

**CERTIFICATION AND AGREEMENT REGARDING
COMMUNITY SERVICE OBLIGATION**

PARTICIPATING HEALTH INSTITUTION (“Borrower”):

NAMES OF FINANCED FACILITIES:

MEDI-CAL CONTRACT(S): / / YES / / NO

IF NO, EXPLAIN:

Note Description: [Please request name of issue from Bond Counsel]

1. **General Assurance:** Pursuant to Section 15459 of the California Government Code, the Borrower hereby certifies that the services of the Facility will be made available to all persons residing or employed in the area served by the facility.

2. **Compliance Requirements:** As part of its assurance under Section 15459 of the California Government Code, the Borrower agrees to the following conditions:
 - (a) To advise each person seeking services at the Facility as to the person's potential eligibility for Medi-Cal and Medicare benefits or benefits from other governmental third party payors.

 - (b) To make available to the California Health Facilities Financing Authority and to any interested person a list of physicians with staff privileges at the Facility, which includes all of the following:
 - (1) Name
 - (2) Specialty
 - (3) Language Spoken
 - (4) Whether the physician takes Medi-Cal and Medicare patients.
 - (5) Business Address and phone number.

 - (c) To inform in writing on a periodic basis all practitioners of the healing arts having staff privileges in the Facility as to the existence of the Borrower's community service obligation. Such notice to practitioners shall contain a statement, as follows:

EXHIBIT A (continued)

“This Facility has agreed to provide a community service and to accept MediCal and medicare patients. The administration and enforcement of this agreement is the responsibility of the California Health Facilities Financing Authority and this Facility.”

- (d) To post notices in the following form, which shall be multilingual where the borrower serves a multilingual community, in appropriate areas within the facility, including but not limited to, admissions offices, emergency rooms, and business offices:

“NOTICE OF COMMUNITY SERVICE OBLIGATION

This facility has agreed to make its services available to all persons residing or employed in this area. This facility is prohibited by law from discriminating against Medi-Cal and medicare patients. Should you believe you may be eligible for Medi-Cal or Medicare, you should contact our business office (or designated person or office) if you are in need of a physician to provide you with services at this facility. If you believe that you have been refused services at this facility in violation of the community service requirement you should inform [designated person or office] and the California Health Facilities Financing Authority.”

- (e) To provide copies of the notice specified in paragraph (d) for posting to all welfare offices in the county where the Facility is located.

3. Medi-Cal Exceptions:

All references to Medi-Cal shall be deemed deleted from section 2 above if and to the extent any of the following conditions exist:

- (a) The Facility is of a type and in a geographic area subject to Medi-Cal contracting and, following good faith negotiations, the Borrower has not been awarded a Medi-Cal contract by the California Medi-Cal Assistance Commission;
- (b) The Facility is not of a type which provides services for which Medi-Cal payments are available; or
- (c) The Facility is, or is a part of, a multi-level facility and the health facility component of the Facility is of a size and type designed primarily to serve the health care needs of the residents of the multi-level facility.

Notwithstanding the foregoing, nothing in this Section 3 shall relieve the Borrower of its obligations, if any, under Section 1317 of the California Health and Safety code (relating to the provision of emergency service).

EXHIBIT A (continued)

4. Compliance Reports:

The Borrower agrees to make available to the Authority and to the public upon request an annual report substantiating compliance with the requirements of Section 15459 of the California Government Code. The annual report shall set forth sufficient information and verification therefor to indicate the Borrower's compliance. The report shall include at least the following:

- (a) By category for inpatient admissions, emergency admissions, and where the facility has a separate identifiable outpatient service, outpatient services:
 - (1) The total number of patients receiving services.
 - (2) The total number of Medi-Cal patients served.
 - (3) The total number of Medicare patients served.
 - (4) The total number of patients who had no financial sponsor at the time of service.
 - (5) The dollar volume of services provided to each patient category listed in paragraphs (1), (2) and (3).
- (b) Any other information which the Authority may reasonably require.

5. Notices:

Notices to the Authority required or permitted by this Agreement shall be given to the Authority addressed as follows: California Health Facilities Financing Authority, 915 Capitol Mall, Suite 590, Sacramento, California 95814, or at such other or additional address as may be specified in writing by the Authority.

6. Term of Agreement:

This agreement shall terminate when the loan is no longer outstanding under the terms of the loan agreement or similar agreement securing the loan

By: _____ Date: _____

Received and Acknowledged:

California Health Facilities Financing Authority

By: _____
Executive Director

EXHIBIT B

(HOSPITAL)
CERTIFICATE OF VERIFICATION
RE: PHYSICIAN DATA

I, (NAME OF OFFICIAL *), certify as follows:

1. I am the (TITLE OF OFFICIAL) of (HOSPITAL), a California nonprofit public benefit corporation (the "Corporation") and I am authorized to execute this Certificate on its behalf.

2. Attached hereto is the information for (HOSPITAL) containing specific physician data pursuant to Government Code Section 15459.1(b).

3. I certify the accuracy and completeness of the data as submitted to the California Health Facilities Financing Authority.

Date: _____

(OFFICIAL SIGNATURE)

(TYPED NAME & TITLE OF OFFICIAL)

(HOSPITAL)

* Chief Financial Officer, Chief Executive Officer or General Counsel

EXHIBIT C

LEGAL DISCLOSURE INFORMATION

EXHIBIT D

QUALIFYING HEALTH FACILITIES

Health facilities generally eligible for financing include all California health facilities that have received non-profit 501(c)(3) status, including the following:

- Acute Care Hospitals
- Adult day health centers
- AIDS clinics
- Alcoholism recovery facilities ⁽¹⁾
- Blood banks
- Chemical dependency facilities
- Child day care facilities ⁽²⁾
- Community clinics
- Community mental health facilities ⁽³⁾
- Community work-activity programs (accredited) ⁽⁴⁾
- Developmental disability programs
- Diagnostic or treatment centers
- Group Homes ⁽⁵⁾
- Multi-level care facilities ⁽⁶⁾
- Psychiatric facilities
- Public health centers
- Rehabilitation facilities
- Skilled nursing or intermediate facilities

- (1) Services must include residential care that provides a 24-hour stay.
- (2) Must be operated in conjunction with a licensed health facility.
- (3) State license is not required, however must be certified by the State of California, Department of Mental Health
- (4) Includes sheltered workshops.
- (5) Excludes foster family homes and agencies, adoption agencies, and residential care facilities for the elderly.
- (6) Skilled Nursing Facility (SNF) or Intermediate Care Facility (ICF) care in conjunction with residential care.

Statutory Description of Eligible Health Facilities:

THE STATUTORY DESCRIPTION [CA Govt. Code, Section 15432(d)] OF HEALTH FACILITIES ELIGIBLE FOR FINANCING IS PROVIDED BELOW:

“Health facility” means any facility, place, or building that is licensed, accredited, or certified and organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, or physical, mental, or developmental disability, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, and includes, but is not limited to, all of the following types:

EXHIBIT D (continued)

QUALIFYING HEALTH FACILITIES

(1) A general acute care hospital that is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

(2) An acute psychiatric hospital that is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care for mentally disordered, incompetent, or other patients referred to in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy, and dietary services.

(3) A skilled nursing facility that is a health facility that provides the following basic services: skilled nursing care and supportive care to patients whose primary need is for availability or skilled nursing care on an extended basis.

(4) An intermediate care facility that is a health facility that provides the following basic services: inpatient care to ambulatory or semiambulatory patients who have recurring need for skilled nursing supervision and need supportive care, but who do not require availability or continuous skilled nursing care.

(5) A special health care facility that is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical or dental staff that provides inpatient or outpatient, acute or nonacute care, including, but not limited to, medical, nursing, rehabilitation, dental, or maternity.

(6) A clinic that is operated by a tax-exempt nonprofit corporation that is licensed pursuant to Section 1204 or 1204.1 of the Health and Safety Code or a clinic exempt from licensure pursuant to subdivision (b) or (c) of Section 1206 of the Health and Safety Code.

(7) An adult day health center that is a facility, as defined under subdivision (b) of Section 1570.7 of the Health and Safety Code, that provides adult day health care, as defined under subdivision (a) of Section 1570.7 of the Health and Safety Code.

(8) Any facility owned or operated by a local jurisdiction for the provision of county health services.

(9) A multilevel facility is an institutional arrangement where a residential facility for the elderly is operated as a part of, or in conjunction with, an intermediate care facility, a skilled nursing facility, or a general acute care hospital. "Elderly," for the purposes of this paragraph, means a person 62 years of age or older.

(10) A child day care facility operated in conjunction with a health facility. A child day care facility is a facility, as defined in Section 1596.750 of the Health and Safety Code. For purposes of this paragraph, "child" means a minor from birth to 18 years of age.

EXHIBIT D (continued)

QUALIFYING HEALTH FACILITIES

(11) An intermediate care facility/developmentally disabled habilitative that is a health facility, as defined under subdivision (e) of Section 1250 of the Health and Safety Code.

(12) An intermediate care facility/developmentally disabled-nursing that is a health facility, as defined under subdivision (h) of Section 1250 of the Health and Safety Code

(13) A community care facility that is a facility, as defined under subdivision (a) of Section 1502 of the Health and Safety Code, that provides care, habilitation, rehabilitation, or treatment services to developmentally disabled or mentally impaired persons.

(14) A nonprofit community care facility, as defined in subdivision (a) of Section 1502 of the Health and Safety Code, other than a facility that, as defined in that subdivision, is a residential facility for the elderly, a foster family agency, a foster family home, a full service adoption agency, or a noncustodial adoption agency.

(15) A nonprofit accredited community work-activity program, as specified in subdivision (e) of Section 19352 and Section 19355 of the Welfare and Institutions Code.

(16) A community mental health center, as defined in paragraph (3) of subdivision (b) of Section 5667 of the Welfare and Institutions Code.

(17) A nonprofit speech and hearing center, as defined in Section 1201.5 of the Health and Safety Code.

(18) A blood bank, as defined in Section 1600.2 of the Health and Safety Code, licensed pursuant to Section 1602.5 of the Health and Safety Code, and exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

“Health facility” includes a clinic that is described in subdivision (l) of Section 1206 of the Health and Safety Code.

“Health facility” includes the following facilities, if the facility is operated in conjunction with one or more of the facilities specified in paragraphs (1) to (18), inclusive, of this subdivision: a laboratory, laundry, or nurses or interns residence, housing for staff or employees and their families or patients or relatives of patients, a physicians' facility, an administration building, a research facility, a maintenance, storage, or utility facility, all structures or facilities related to any of the foregoing facilities or required or useful for the operation of a health facility and the necessary and usual attendant and related facilities and equipment, and parking and supportive service facilities or structures required or useful for the orderly conduct of the health facility.

“Health facility” does not include any institution, place or building used primarily for sectarian instruction or study or s a place for devotional activities or religious worship.